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**OBEY SUPPORTS Historic Increase  
in College Financial Aid for Students and Families**

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WASHINGTON, D.C. – Seventh District Congressman Dave Obey (D-WI) today joined a bipartisan majority in the House voting for final passage of a bill that would make the single largest investment in college financial aid since the 1944 GI Bill, helping millions of students and families pay for college – and doing so at no new cost to taxpayers.

“Access to a quality education should be based on what’s in a student’s head and in their heart, not what’s in their wallet. That’s why I’ve worked hard on the Appropriations Committee to provide more for student aid, and why I was glad to vote for this bill,” said Obey, the Chairman of the House Appropriations Committee and a leading advocate of increased federal student aid. “After all, a good education is an investment in the future not only for an individual, but for the nation as well.”

If signed into law by the President, H.R. 2669, the College Cost Reduction and Access Act, will boost college financial aid by more than \$20 billion over the next five years by redirecting

excessive federal subsidies paid to lenders in the college loan industry.

Building on the increase that Obey's Committee provided this year in the maximum value of the Pell Grant – the nation's main student aid program – the measure increases the maximum Pell grant to \$5,400 over the next five years. Nearly 68,000 low- and moderate-income Wisconsin students and close to six million students nationwide stand to benefit from that increase.

To reduce the burden of college loans for millions of students, the measure cuts interest rates in half on need-based student loans, from 6.8 percent to 3.4 percent over the next four years. Once fully phased-in, that is expected to save the typical student borrower – with \$13,800 in need-based student loan debt – \$4,400 over the life of the loan. Over six and half million students take out need-based loans each year. Additionally, the measure works to prevent student borrowers from facing unmanageable levels of federal student loan debt by guaranteeing that borrowers will never have to spend more than 15 percent of their yearly discretionary income on loan repayments and by allowing borrowers in economic hardship to have their loans forgiven after 25 years.

The measure also provides:

- Tuition assistance for undergraduate students who agree to teach in the nation's public schools;
- Loan forgiveness after 10 years of public service and loan repayment for college graduates that go into vital public service jobs; and
- Strategies to help colleges contain costs and make online information on college costs for students and parents more user friendly.

